

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6652**

**BILL NUMBER:** HB 1203

**NOTE PREPARED:** Jan 10, 2014

**BILL AMENDED:**

**SUBJECT:** Bicycle Trail Maintenance Fee on Bicycles.

**FIRST AUTHOR:** Rep. Friend

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**    **GENERAL**  
                              **X DEDICATED**  
                              **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill establishes the Bicycle Trail Maintenance Fund (fund) to defray the costs of maintaining bicycle trails throughout Indiana. It imposes a fee of \$25 on the retail sale of a nonexempt bicycle, and provides that the fee imposed on sales of nonexempt bicycles at retail are paid into the Bicycle Trail Maintenance Fund. The bill also requires the Department of Natural Resources to develop a statewide bicycle trail policy. It appropriates money in the fund, other than money reserved for refunds, that is not otherwise appropriated.

**Effective Date:** July 1, 2014.

**Explanation of State Expenditures:** The bill would increase the workload of the Department of Natural Resources (DNR). However, any additional expenses of administering the Bicycle Trail Maintenance Fund would be paid by money in this fund. The bill gives the DNR the following responsibilities:

- Administer the Bicycle Trail Maintenance Fund. This task would include computing the amount to be distributed to each county from the fund based on the ratio of mileage of bicycle trails in a county to total mileage of bicycle trails in the state. The DNR is also required to transmit this information to the Auditor of State and publish it on the DNR's website.
- Develop a statewide bicycle trail policy. The bill requires the DNR to report its progress in developing this policy to the Natural Resources Study Committee. It also requires the DNR to report its final statement of policy to the Legislative Council and the Legislative Services Agency, as well as publish the policy on the DNR's website.

**Explanation of State Revenues:** *Summary-* The bill establishes a Bicycle Trail Maintenance Fee of \$25 per bicycle sold, exempting bicycles with wheel sizes of 20 inches or less. This fee could generate about \$5.5 M annually in FY 2015 and FY 2016. Revenue would be deposited in the Bicycle Trail Maintenance Fund. A portion would be used to reimburse the DNR for the costs of administering the fund. The remainder would be distributed to each county based on the county's share of bicycle trail mileage relative to the state total.

*Additional Information-* The estimated revenue from the Bicycle Trail Maintenance Fee is based on estimates of bicycle sales in the United States from the Bureau of Transportation Statistics and the National Bicycle Dealers Association. The estimated sales for bicycles with wheel sizes greater than 20 inches in CY 2012 is approximately 13 million bicycles. A portion of total sales are allocated to Indiana based on the state's share of personal income relative to total U.S. personal income.

**Explanation of Local Expenditures:** The bill requires county auditors to distribute the amount received from the Bicycle Trail Maintenance Fund to each party responsible for maintaining bicycle trails in the county according to the proportion of bicycle trails in the county that the responsible party maintains.

**Explanation of Local Revenues:** See *Explanation of State Revenues*.

**State Agencies Affected:** Department of Natural Resources, Auditor of State, Treasurer of State, Department of State Revenue.

**Local Agencies Affected:** County auditors, local agencies responsible for maintaining bicycle trails.

**Information Sources:** Bureau of Transportation Statistics, Bureau of Economic Analysis, National Bicycle Dealers Association.

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